



PUBLIC NOTICE

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**NATIONAL EXCHANGE CARRIER ASSOCIATION SUBMITS THE PAYMENT FORMULA
AND FUND SIZE ESTIMATE FOR THE INTERSTATE TELECOMMUNICATIONS RELAY
SERVICES FUND FOR THE JULY 2010 THROUGH JUNE 2011 FUND YEAR**

CG Docket No. 03-123

Comments: May 14, 2010

Reply Comments: May 21, 2010

On April 30, 2010, pursuant to 47 C.F.R. § 64.604(c)(5)(iii)(H), the National Exchange Carrier Association (NECA), which is the Interstate Telecommunications Relay Services (TRS) Fund Administrator, submitted its annual payment formulas and funding requirement estimates for the Interstate TRS Fund for the period of July 1, 2010, through June 30, 2011 (2010-2011 Fund year).¹ The Consumer and Governmental Affairs Bureau (Bureau) seeks comment on NECA's proposed compensation rates for Interstate TRS, Speech-to-Speech Services (STS), Captioned Telephone Services (CTS), Internet Protocol (IP) CTS, IP Relay, and Video Relay Services (VRS), for the 2010-2011 Fund year, as well as on NECA's proposals for the carrier contribution factor and funding requirement.

With respect to VRS, the Bureau is particularly seeking comment on whether the Commission should adopt NECA's proposed rates for the 2010-2011 Fund year based on the 2009 average actual historical cost data submitted to NECA by VRS providers. In this regard, this notice also seeks to refresh the record on the NPRM portion of the *2009 PN and NPRM*, which sought comment on whether VRS tiered rates should be recalculated based on data reflecting the actual costs of providing VRS.² In the past, the Commission has relied on projected costs to determine the compensation rate.

For VRS and IP Relay, the Commission concluded in the *2007 TRS Rate Methodology Order* that the compensation rates should be set for a three year period, subject to certain adjustments, concluding with the 2009-2010 Fund year.³ In reaching this conclusion, the Commission expressly required VRS and

¹ *Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990*, Interstate Telecommunications Relay Services Fund Payment Formula and Fund Size Estimate (filed April 30, 2010) (*2010 TRS Rate Filing*).

² See *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Public Notice and Notice of Proposed Rulemaking, 24 FCC Rcd 6029 at 6033, para. 11 (May 14, 2009) (*2009 PN and NPRM*).

³ See *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket No. 03-123, Report and Order and Declaratory Ruling, 22 FCC Rcd 20140-9 at 20164-65, paras. 43-45 (IP Relay), para. 56 (VRS) (Nov. 19, 2007) (*2007 TRS Rate Methodology Order*).

IP Relay providers to continue to file with the Fund administrator annual costs and demand data, as they had in the past.⁴ The Commission stated that “this information, which includes actual costs for prior years, will be helpful in reviewing the compensation rates ... [adopted] and whether they reasonably correlate with projected costs and prior actual costs.”⁵ Based on the data received from providers, the Fund administrator indicates that VRS providers’ weighted average actual per-minute costs were \$4.4603 in 2006, \$3.9604 in 2007, \$4.1180 in 2008, and \$4.1596 in 2009.⁶

In the *2010 TRS Rate Filing*, NECA presents various alternative calculations for determining an interim VRS rate for the 2010-2011 Fund year. As with the VRS rates established in the *2007 TRS Rate Methodology Order*, NECA proposes sets of tiered rates: Tier I includes monthly minutes up to 50,000; Tier II includes monthly minutes between 50,001 and 500,000; and Tier III includes monthly minutes above 500,000.⁷ In one of its proposals, on which the Bureau particularly seeks comment, NECA then calculates the rate within each tier using weighted averages of VRS providers’ *actual* historical cost data for 2009, including allowances of 1.6% for cash working capital, 3.2% for growth to the Fund, and \$0.0083 per minute for ongoing E911 and ten-digit numbering costs.⁸ This calculation results in rates of \$5.7754 for Tier I, \$6.0318 for Tier II, and \$3.8963 for Tier III. The Bureau also particularly seeks comment on whether the Commission should adopt 2010-2011 interim Fund Year rates based on NECA’s proposed use of weighted averages in calculating each of the tiers, as described in the *2010 TRS Rate Filing*.

NECA also proposes per-minute compensation rates for all other forms of TRS based on the rate calculation methodologies established in the *2007 TRS Rate Methodology Order*.⁹ These calculations result in the following proposed rates: \$2.256 for interstate traditional TRS;¹⁰ \$3.1566 for STS;¹¹ \$1.6951 for CTS and IP CTS;¹² \$1.2985 for IP Relay.¹³

⁴ *Id.*, 22 FCC Rcd at 20160, 20165 para. 46 n.141 (IP Relay), 56 n.170 (VRS).

⁵ *Id.*

⁶ *2010 TRS Rate Filing* at 17, Table 2 Historical VRS Cost Summary.

⁷ *Id.* at 16; 25, Table 3 VRS Rate Alternatives; and Exh. 2.

⁸ *Id.* at 22-24; 25, Table 3 VRS Rate Alternatives; and Exh. 2.

⁹ See *2007 TRS Rate Methodology Order*, 22 FCC Rcd 20140 (Nov. 19, 2007).

¹⁰ The Commission adopted the Multistate Average Rate Structure (MARS) plan to calculate the annual interstate traditional TRS rate. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20149-57, paras. 16-35; see also *2010 TRS Rate Filing* at 10, Exh. 1-1, and App. C.

¹¹ The traditional TRS MARS rate also applies to interstate STS. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd 20156, para. 34. Consistent with the *2007 TRS Rate Methodology Order*, however, NECA’s proposed STS rate includes an additional per-minute amount of \$1.131 to be used for STS outreach. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20165, para. 57; see also *2010 TRS Rate Filing* at 11, Exh. 1-1, and App. C.

¹² The Commission also adopted the MARS Plan for interstate CTS and IP CTS. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20157-58, paras. 36-38; see also *2010 TRS Rate Filing* at 12, Exh. 1-2, and App. D.

¹³ For IP Relay, the Commission adopted a price cap methodology, which will expire June 30, 2010. See *2007 TRS Rate Methodology Order*, 22 FCC Rcd at 20158-60, paras. 39-46. Therefore, NECA proposes an IP Relay rate for

Based on these rates, NECA proposes a carrier contribution factor of between 0.00379 and 0.00908, and a funding requirement of between \$280.8 and \$673.3 million.¹⁴

Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415 and 1.419, interested parties may file comments on or before **May 14, 2010**, and reply comments on or before **May 21, 2010**. All filings must reference **CG Docket No. 03-123**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*.¹⁵ Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and CG Docket No. 03-123. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message: "get form." A sample form and directions will be sent in response.

Parties who choose to file by paper must file an original and four copies of each filing. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission. All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

Parties who choose to file by paper should also submit their comments on CD-Rom. The CD-Rom should be submitted, along with three paper copies, to: Dana Wilson, Consumer and Governmental Affairs Bureau, Disability Rights Office, 445 12th Street, SW, Room 3-C418, Washington, D.C. 20554. Such a submission should be on CD-Rom formatted in an IBM compatible format using Word 2003 or compatible software. The CD-Rom should be accompanied by a cover letter and should be submitted in "read only" mode. The CD-Rom should be clearly labeled with the commenter's name, proceeding (including the lead docket number, in this case, **CG Docket No. 03-123**), type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the CD-Rom. The label should also include the following phrase: "CD-Rom Copy - Not an Original." Each CD-Rom should contain only one party's pleadings, preferably in a single electronic file. In addition, commenters must send CD-Rom copies to the Commission's copy contractor, Portals II, 445 12th Street, SW, Room CY- B402, Washington, D.C. 20554.

A copy of this document, NECA's submission and any subsequently filed documents in this matter will be available during regular business hours at the FCC Reference Center, Portals II, 445 12th

the 2010-2011 Fund year and recommends that the Commission use this as a base rate if it continues to use a three-year price cap methodology. See *2010 TRS Rate Filing* at 15, 15 n.32, and Exh.1-3.

¹⁴ See *2010 TRS Rate Filing* at 29 and Ex. 3.

¹⁵ 63 FR 24121 (1998).

Street, SW, Room CY-A257, Washington, D.C. 20554, (202) 418-0270. This document, NECA's submission and any subsequently filed documents in this matter may also be purchased from the Commission's duplicating contractor at its website, www.bcpweb.com, or call 1-800-378-3160. A copy of the submission may also be found by searching on ECFS (insert **CG Docket No. 03-123** into the Proceeding block).

To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY). This document can also be downloaded in Word and Portable Document Format (PDF) at: <http://www.fcc.gov/cgb/dro/trs.html>.

For further information, please contact Diane Mason, Consumer and Governmental Affairs Bureau, Disability Rights Office, at (202) 418-7126 (voice), (202) 418-7828 (TTY), or e-mail at Diane.Mason@fcc.gov.

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